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Sent: 12/8/2017 10:32:44 AM
To: Gander, Sue [sgander@NGA.ORG]
CC: Simchak, Tom [TSimchak@NGA.ORG]
Subject: RE: [External] Research
Flag: Follow up

Thank you.

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From: Gander, Sue [mailto:sgander@NGA.ORG]
Sent: Friday, December 8, 2017 10:28 AM
To: Tarr, Jeremy M <jeremy.tarr@nc.gov>
Cc: Simchak, Tom <TSimchak@NGA.ORG>
Subject: [External] Research

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Jeremy,

Our new Senior Policy Analyst, Tom Simchak, did some digging and came up with the following information. I hope you get to meet Tom soon, he is a great new add.

Let us know if you want more digging. The CA idea is interesting .

- The short answer is that we didn't find an exact examples in project construction approval at the wholesale level in gas or electric.
- What can be done would be based on what authority is involved — DNR or PUC etc.
- In a ratemaking case, PUCs could add provisions. But that wouldn't really apply to a wholesale pipeline being built.
 - A company could volunteer to make 'stipulation agreements' but it wouldn't be appropriate for a commission to require such a thing in a determination of public need and benefit. A commission, it seems, ought to keep to 'prudently incurred costs' for 'essential utility services.' To 'extort' (not my word) payments for 'anything not directly related to the cost of providing utility service' would raise 'due process' and 'ethical' concerns.
- There is a precedent of public benefits charges — added to end users bills to support public purposes. are sort of like this, but are, of course, adders to end-user billing. That would be done via legislature or PUC.
- Provisions are common in a merger situation. For instance the Pepco-Exelon merger, Exelon offered to DC and Maryland various measures to induce approval.

- You might have an opportunity with easement fees — one example is in Connecticut but they exist elsewhere too — the state charges the pipeline for crossing public lands and then puts that money in a fund for things — may or may not have to be relevant to the disruption caused (e.g. wetland restoration, historical or cultural stuff) depending on what's being disrupted.
- Liability and decommissioning funds exist in various places (e.g. Trans-Alaska Pipeline). Those can get a little tangential in how they're used.
- California has a 'Gas Accord' which sets aside pipeline capacity for residential and small commercial customers. Not really a money thing, but ensures that a gas transmission pipeline provides some local benefit.

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Sue Gander
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Providing governors ideas that work...

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